RLI
DIFFERENT WORKS

RLI PROFESSIONAL SERVICES GROUP
LEARNING EVENT
PSGLE 105

Knowing When to Say "No"

Warning Signs in Client Selection and Contract Negotiations

Copyright Materials

This presentation is protected by US and International Copyright laws. Reproduction, distribution, display and use of the presentation without written permission of the speaker is prohibited.

© RLI Professional Services Group

RLI®
DIFFERENT WORKS

COURSE DESCRIPTION:

Knowing whether or not
a prospective client is willing
to effectively and fairly
negotiate contract terms
is a primary determination
in the client selection process.
This webinar will discuss
key contract terms and
other potential hazards.

RLI

different

LEARNING OBJECTIVES

Participants will:

- Gain insight into the various warning signs to consider prior to accepting a client/project.
- Be able to analyze the type of client/project based upon a client/project selection checklist that will be discussed during the session.
- Learn key contract terms to negotiate prior to accepting a client/project.
- Be able to identify other warning signs or hazards to take into consideration prior to accepting a client/project.

CLIENT/PROJECT SELECTION CHECKLIST

CLIENT CONSIDERATIONS

1. Do you and the client have the **same vision** and/or **philosophy** regarding the project?
2. Can you **get along** with the client? Are you a **good match**?
3. Is the client making **unreasonable contract demands**?
4. Does the client **lead** with his/her **lawyer**?

CLIENT/PROJECT SELECTION CHECKLIST

MORE CLIENT CONSIDERATIONS

5

- Does the client **know** what he/she **wants**?

6

- Has the client had similar projects but **never worked with the same consultant more than once**?

7

- What is the **client's reputation** in the industry and/or the community?

CLIENT/PROJECT SELECTION CHECKLIST

PROJECT CONSIDERATIONS

1. Is this a project really within your **area of expertise**?
2. Is the requested **time schedule realistic** for this project?
3. What is your **gut instinct** on whether or not to accept this project?

CONSIDER TYPES OF CLIENTS AND PROJECTS

Existing Clients

- Which client types do you work for?
- Do you want to continue?

New Clients

- Are there others you want to work for?
- Are you capable of working for them?

New Project Types

- Are there other types you want to pursue?
- Are you capable of being awarded these projects?

CLIENT/PROJECT SELECTION CHECKLIST
BUDGET CONSIDERATIONS

1. Is the client willing to **pay** a **reasonable fee** for the work to be done?
2. Is the client willing to **pay** for the **project** he/she **wants**?
3. Is there a **reasonable profit** in the proposed fee?
4. Is the client willing to consider **additional fees** for **scope changes**?
5. What does your **profit** v. **pain/risk** v. **reward** analysis reveal?

RISK-REWARD ANALYSIS

KEY CONTRACT TERMS CHECKLIST

KEY CONTRACT TERMS CHECKLIST

- Standard Contract Terms
- Scope of Services
- Fee
- Time Limitations

KEY CONTRACT TERMS CHECKLIST

- Standard of Care
- Right to Rely
- Document Ownership
- Confidentiality

CONFIDENTIALITY PROVISIONS

- ✓ Includes a definition of confidential information
- ✓ Defines information that is not considered confidential
- ✓ Articulates the obligations of the Receiving Party
- ✓ Identifies the duration of the agreement

KEY CONTRACT TERMS CHECKLIST

- Indemnity
- Consequential Damages
- Limitation of Liability

INDEMNITY

"Hold Harmless"

"Defend"

Insurable?

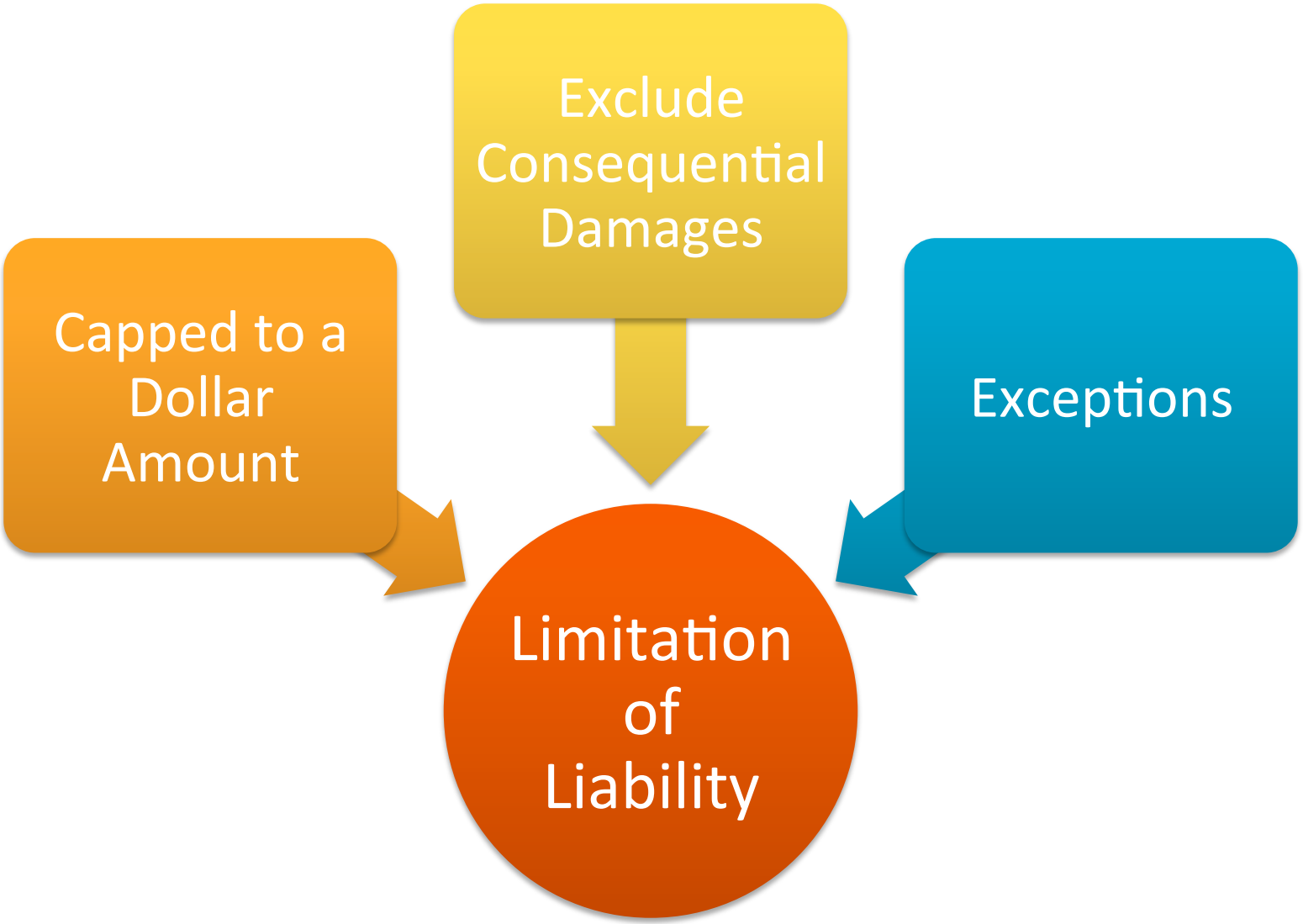
CONSEQUENTIAL DAMAGES EXCLUSION

"Indirect" or "Special" damages

- Lost profit or revenue if "within the contemplation of the parties" at the time of contract formation

Mutual?

LIMITATION OF LIABILITY



KEY CONTRACT TERMS CHECKLIST

- Insurance
- Dispute Resolution
- Termination

OTHER HAZARDS

Working without a contract

Hiring consultants without a contract

Failing to make subconsultants' contracts consistent with consultants' contract

CONTRACT LANGUAGE RESOURCES

- Attorneys
- Brokers
- Insurance Companies
- http://www.rlipsg.com/pdf/webinar-PSGLE102.pdf

SUMMARY

- ✓Client, project, and budget considerations
- ✓Risk-reward analysis
- ✓Key contract provisions
- ✓The importance of written contracts
- ✓Resources for contract language

Thank you for your time!

QUESTIONS??

This concludes the Professional Services Group Learning Event

Laurel Tenuto, Client Risk Management Coordinator
Laurel.Tenuto@rlicorp.com

Barbara Sable, Director, Professional Enterprise Risk Solutions
Barbara.Sable@rlicorp.com

RLI® DIFFERENT WORKS

THANK YOU!